

JUL 21 1988

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Your purposes as stated in your Articles of Incorporation are: (A) To preserve, maintain and/or support churches, cemeteries and other historic properties of meaning to the [redacted] heritage; (B) To encourage and carry out genealogical and historical research on the [redacted] and their allied families; (C) To bring families together into reunions and other gatherings which serve to enhance relationships among [redacted] and their allied families; (D) To educate and preserve the meaning and appreciation of the [redacted] and their allied families place in and contribution to their historical and cultural heritage; (E) To otherwise support those efforts which further the aforementioned purposes of the [redacted].

Your activities as stated in your Form 1023 application include acquiring permanent housing for the archives, and having a place to display artifacts; conducting widespread genealogical research; writing-publishing-illustrating books and manuscripts; establishing a library and reading room with microfilm censuses; and supporting other organizations with the same goals. You are a membership organization with annual dues of \$[redacted] for singles and \$[redacted] for joint-sponsors. The members receive a bi-annual newsletter on your genealogical activities.

Your income statement for the year ending [redacted] [redacted], indicates that you received income from members dues, and contributions from [redacted] families.

Section 501(c)(3) of the Code provides exemption for:

"Corporations...organized and operated exclusively for religious, charitable,...or educational purposes,...no part of the net earnings of

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
do							
name							

"(a)(1)(i) In order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt."

"(d)(1)(ii) An organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of this subparagraph unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests."

"(d)(3)(i) In General. The term "educational", as used in section 501(c)(3), relates to -

- (a) The instruction or training of the individual for the purpose of improving or developing his capabilities; or
- (b) The instruction of the public on subjects useful to the individual and beneficial to the community.

Revenue Ruling 80-302, 1980-2 C.B. 182 states an organization that (1) limits its membership to descendants of a particular family, (2) compiles family genealogical research data for use by its members for reasons other than to conform to the religious precepts of the family's denomination, (3) presents the data to designated libraries, (4) publishes volumes of family history, and (5) promotes social activities among family members does not qualify for exemption under section 501(c)(3) of the Code.

The ruling goes on to state that compilation, publications, preservation and distribution of genealogical data has some educational value to the individual members. However, when these activities are primarily limited to one particular family the activities do not advance education to benefit the public interest within the meaning of section 501(c)(3)-1(d)(1)(ii) of the regulations. Any benefit to the general public is merely incidental to the private benefit accruing to family members.

Revenue Ruling 80-301, 1980-2 C.B. 180 is distinguished from Revenue Ruling 80-302, supra. In this revenue ruling the society did not limit its genealogical research and compilation to the members of a particular family. It provided educational programs to instruct members of the general public on genealogical research and it published family history in a particular geographical area. It was determined that the society was educational within the meaning of section 501(c)(3) because it instructed the public on subjects useful to the individual and beneficial to the community.

Revenue Ruling 71-588, 1971-2 C.B. 235 held that a nonprofit organization formed by members of a particular family to compile genealogical research data on the family in order to perform religious ordinances of the particular religious denomination to which the family belongs is exempt from Federal income tax under section 501(c)(3) of the Code. The organization was considered to be accomplishing a charitable purpose by engaging in an activity that advances religion. Any private benefit was regarded as incidental to the general public benefit.

In the Callaway Family Association Inc., 7 T.C. 340(1978) the court held that a family association formed as a nonprofit organization to study immigration to and migration within the United States by formulating on its own family history and genealogy does not qualify for exemption under section 501(c)(3) of the Code. This association's activities included researching the genealogy of its members for the ultimate purpose of publishing a family history. The court stated that the association's family genealogical activities were not insubstantial and were not in furtherance of an exempt purpose. Rather, they served the private interest of the members. Thus, the association was not operated exclusively for exempt purposes.

Your primary purposes and activities are similar to the above court case and those described in Revenue Ruling 80-302 supra in that you are providing a service by compiling family research data for your members for reasons other than to conform to the religious precepts of the families denomination. This research is limited to a particular family and its lineal descendants. You also provide social activities to bring the family members together.

Although the compilation, publication, preservation and distribution of genealogical data on one particular family has educational value, its value to the public is incidental when compared to the private interests of the particular family that are served. The educational benefit to a widespread segment of the general public is incidental and does not advance education within the meaning of section 1.501(c)(3)-(d)(1)(ii) of the regulations.

Therefore we have concluded that you are not qualified for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code. You are required to file Federal income tax returns on Form 1120.

If you agree with these conclusions or do not wish to file a written protest, please sign and return Form 6018 in the enclosed self-addressed envelope as soon as possible.

-4-

[REDACTED]

If you do not agree with these conclusions, you may, within 30 days from the date of this letter, file in duplicate a brief of the facts, law, and argument that clearly sets forth your position. If you desire an oral discussion of the issue, please indicate this in your protest. The enclosed Publication 892 gives instructions for filing a protest.

If you do not file a protest with this office within 30 days of the date of this report or letter, this proposed determination will become final.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

If this determination letter becomes a final determination, we will notify the appropriate State Officials, as required by section 6104(c) of the Code, that based on the information we have, we are unable to recognize you as an organization of the type described in Code section 501(c)(3).

If you have any further questions, please contact the person whose name and telephone number are shown at the beginning of this letter.

Sincerely,

[REDACTED],
District Director

Enclosures:
Publication 892
Form 6018